

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2366

ANSWERED ON:14.03.2008

REFORMS IN POWER SECTOR

Adhalrao Patil Shri Shivaji;Kaushal Shri Raghuvir Singh;Murmu Shri Hemlal;Thomas Shri P.C.;Verma Shri Ravi Prakash

Will the Minister of POWER be pleased to state:

- (a) whether the Union Government proposes new reforms package for investment in the power sector;
- (b) if so, the details of the outlay fixed for the new package;
- (c) the details of the component contained in the new scheme; and
- (d) the steps taken or proposed to be taken to achieve the various targets during the Eleventh Five Year Plan?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHIL KUMAR SHINDE)

(a) to (d) : Reforms in power sector are an on-going process. Electricity is a concurrent subject. The Central Government has taken various reform initiatives, inter alia, for mobilizing investment in the power sector, such as:

- 1.The Electricity Act, 2003 has put in place a liberal and progressive legal framework including features like open access, non-requirement of license for generation and freely permitting captive power plants.
- 2.An independent regulatory framework at Centre and State levels.
- 3.The Appellate Tribunal for Electricity under the Electricity Act, 2003 has been made operational facilitating expeditious settlement of disputes.
- 4.Permitting 100% foreign direct investment in power sector.
- 5.The Accelerated Power Development and Reforms Programme (APDRP) for assisting the States in investment in sub-transmission and distribution segments and also for incentivising better financial performance by the State Power Utilities.
- 6.Rajeev Gandhi Grameen Vidyutikaran Yojana with 90% capital subsidy from the Central Government for providing access to electricity in rural areas.The scheme gives a special emphasis on mechanisms for improved revenue collection.
- 7.The Tariff Policy notified under the Act provides for competitive procurement of power in a transparent manner in accordance with the guidelines issued by the Central Government.
- 8.Mega Power Policy gives various tax incentives for promoting accelerated generation in capacity addition.